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PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

UNITED NATIONS COMMON SYSTEM

UNITED NATIONS PENSION SYSTEM

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission (A/49/30)

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

I. INTRODUCTION

1. The twentieth annual report of the International Civil Service Commission (ICSC) 1/ contains a number of decisions and recommendations that have financial implications for the biennium 1994-1995, related to the following issues (the reference paragraphs in the ICSC report are indicated in parentheses):

(a) Remuneration of the Professional and higher categories of staff: base/floor salary scale (para. 181);

(b) Review of dependency allowances (paras. 191 and 192);

(c) Review of the level of the education grant (para. 273);

(d) Hazard pay (paras. 288-291);

(e) Appointments of limited duration (paras. 366 and 367).

2. There are no financial implications for either the regular budget or extrabudgetary sources of funding of the organizations members of the United Nations Joint Staff Pension Fund (UNJSPF) in respect of issues addressed in the

annual report of the United Nations Joint Staff Pension Board (UNJSPB) to the General Assembly. 2/

II. REMUNERATION OF THE PROFESSIONAL AND HIGHER CATEGORIES OF STAFF: BASE/FLOOR SALARY SCALE

3. In section I.H of its resolution 44/198 of 21 December 1989, the General Assembly approved the recommendation of ICSC to establish a floor net salary level for staff in the Professional and higher categories, by reference to the corresponding base net salary levels of officials in comparable positions serving at the base city of the comparator civil service. The base/floor scale was part of an integrated package in which negative classes of post adjustment were eliminated; it is used also to calculate payments under the mobility and hardship scheme, as well as separation payments. 3/ The package of measures went into effect as of 1 July 1990.

4. On the occasion of the approval of the establishment of the floor net salary scale, by section I.E of the same resolution, the General Assembly approved the introduction of a mobility and hardship scheme and an assignment grant.

5. The Commission reviewed the mobility and hardship scheme at its thirty-sixth session. 4/ It decided to report to the General Assembly, inter alia, that pending further review in 1995, the existing parameters of the scheme should be maintained, including the linkage between the mobility and hardship allowance and the base/floor salary.

6. Section I.B of resolution 47/216 of 23 December 1992, the General Assembly approved the revised scale of gross and net salaries. In section V of the same resolution, the Assembly concurred that the existing parameters of the mobility and hardship scheme be maintained.

7. As was the case in 1990, 1991, 1992 and 1993, as a result of salary increases in the comparator civil service, ICSC has recommended to the General Assembly that the current base/floor salary scale should be increased through the consolidation of classes of post adjustment. The increase would comprise 4.1 per cent and would be effective 1 March 1995. The financial implications of the recommendation for the united Nations common system as a whole were estimated by ICSC at $2,847,000 for 1995. The costs to the United Nations regular budget are estimated to be $453,000 in 1995.

8. As a consequence, there will also be an estimated increase of $4,615,100 for 1995 under section 28, Staff assessment, to be offset by an increase of $4,639,900 under income section 1.

III. REVIEW OF DEPENDENCY ALLOWANCES

9. ICSC reviews the level of dependency allowances every two years in order to take into account changes in tax abatements and social security provisions in the countries of the seven headquarters duty stations. In its 1994 review, the

Commission examined the changes in tax and social legislation for these seven countries for the period 1991-1993, under the methodology established for the biennial reviews.

10. The Commission decided to recommend to the General Assembly a 10.26 per cent increase in the level of children's allowances (including those for disabled children) and of secondary dependant's allowances, with effect from 1 January 1995.

11. ICSC estimates that the common system financial implications of the recommended increase is $1.8 million a year. The financial implications for the regular budget of the United Nations are estimated at $368,000 for 1995.

IV. REVIEW OF THE LEVEL OF THE EDUCATION GRANT

12. In section IV of its resolution 47/216 of 23 December 1992, the General Assembly, endorsed a revised methodology for the determination of the education grant. 5/ Using the methodology approved by the General Assembly, the Commission decided, at its fortieth session, to recommend to the General Assembly that:

(a) In areas where education-related expenses were incurred in Swiss franc, Italian lire, deutsche mark, Spanish pesetas, United States dollars in the United States of America, pound Sterling and Swedish krona, the maximum grant and the ceiling for boarding costs should be set as shown below:

Currency	Maximum admissible level	Maximum education grant	Ceiling for boarding in local currency
Swiss franc	20 097	15 070	4 466
Italian lira	19 800 000	14 850 000	4 400 000
Deutsche mark	29 035	21 775	6 454
Spanish pesetas	1 572 710	1 179 530	349 556
Pound sterling	11 250	8 438	2 500
Swedish krona	83 250	62 438	18 500
United States dollar (in United States of America)	16 900	12 675	3 770

(b) The current level for the United States dollar maximum admissible level and ceiling on boarding costs (for expenditures outside the USA) should be applied for the 14 countries in which the CFA franc had until now been applied;

(c) The maximum admissible expenses, the maximum grant and the ceiling on boarding costs should remain unchanged at current levels for the following currency areas: Austrian schilling, Belgian franc, Danish krone, Finnish markka, French franc, Irish pound, Japanese yen, Netherlands guilder, Norwegian krone and United States dollar expenditures outside the United States;

(d) The amount of the special education grant for each disabled child should continue to be equal to 100 per cent of the revised amounts of the maximum admissible expenses for the regular education grant;

(e) These measures would be applicable as from the school year in progress on 1 January 1995.

13. ICSC estimates that the system-wide financial implications of the recommended increases were approximately $1.8 million a year in respect of the increase in the maximum reimbursable level and $350,000 a year in respect of the increase in boarding costs. The financial implications for the regular budget of the United Nations were estimated at $467,000 for 1995, broken down as follows:

(a) An amount of $378,000 related to revised maximum admissible expenses;

(b) An amount of $89,000 related to boarding costs.

V. HAZARD PAY

14. In 1984, the Commission agreed that exceptional measures, hazard pay, would be introduced for staff obliged to serve at duty stations where very hazardous conditions such as war or active hostilities prevailed, and where evacuation of families and non-essential staff had taken place. 6/ In 1991, the Commission reaffirmed the principle of hazard pay, as well as the criteria set out in 1984.

15. In 1994, the Commission reaffirmed its earlier decisions regarding hazard pay, including that authority for the approval of those measures continue to be delegated to its Chairman. It decided to restate the arrangements for granting of hazard pay as follows:

(a) Form of hazard pay: additional monthly compensation for staff required to work under hazardous conditions;

(b) Where applicable: in duty stations where very hazardous conditions, such as war or active hostilities prevailed. Although the normal precondition would be the evacuation of families and non-essential staff, there might be exceptional circumstances (i.e., newly established duty stations in conflict areas) where evacuation would not arise as a precondition;

(c) Eligibility:

(i) Internationally recruited staff required by their organizations to serve at the duty station in question;

(ii) Locally recruited staff who were required to report to work and who did so;

(d) Duration. Applicable for up to three months at a time, subject to ongoing review in the light of prevailing conditions;

(e) Amounts:

(i) For internationally recruited staff: 20 per cent of the net base salary of a P-4, step VI at the D rate;

(ii) For locally recruited staff: 20 per cent of the midpoint of the applicable local salary scale; in cases where staff might receive less under the new arrangements, transitional measures would consist of a continuing payment at the existing rate until there ceased to be a difference between the old and new amounts.

16. The Commission estimated the financial implications of the decision to increase the level of hazard pay for the United Nations common system as a whole at $2.5 million. The financial implications for the regular budget of the United Nations were estimated at $194,000 for 1995.

VI. APPOINTMENTS OF LIMITED DURATION

17. The issue of United Nations appointments of limited duration was before the Commission as a result of a request of the Fifth Committee in June 1994. The Committee had raised a number of questions about those provisions and had requested the views of ICSC thereon. The Commission decided to advise the Secretary-General that the United Nations might proceed on a provisional basis with the new arrangements on the understanding that its secretariat would be holding consultations in the coming months between the parties concerned on the range of outstanding issues identified, such as the scope, criteria, replacement mechanisms, job classification aspects, etc., of the arrangements for appointments of limited duration. It will be recalled that a conference room paper presented to the Fifth Committee on 26 April 1994 had indicated the magnitude of the financial savings which would accrue to the application of the new series of staff rules. While it is difficult to quantify exactly the actual savings involved, the average saving for mission recruits in the Professional and higher categories would be in the area of $10,000 per person, compared with staff recruited under the 100 series.

VII. SUMMARY

18. The additional costs for the regular budget resulting from the decisions and recommendations of ICSC are summarized below:

Summary

(In United States dollars)

	1995
Remuneration of the Professional and higher categories of staff: base/floor salary scale	453 000
Review of dependency allowances	368 000
Review of the level of the education grant	467 000
Hazard pay	194 000
Appointments of limited duration	a/
	1 482 000

a/ No estimate presented.

19. Following past practice, it is intended to deal with the impact of the decisions and recommendations of ICSC as indicated in paragraph 18 above in the first programme budget performance report for the biennium 1994-1995. Should the Assembly adopt the recommendations of ICSC there would be an increase of $6,097,100 under the sections of expenditure. Of this amount, $4,615,100 would relate to section 28, Staff assessment. There would be a corresponding increase in the amount of $4,639,900 under Income section 1, income from staff assessment. The net increase would, therefore, be $1,457,200.

Notes

1/ Official Records of the General Assembly, Forty-ninth Session, Supplement No. 30 (A/49/30).

2/ Ibid., Supplement No. 9 (A/49/9).

3/ Ibid., Forty-fourth Session, Supplement No. 30 (A/44/30), vol. II, paras. 118, 119, 316 and 453 (g).

4/ Ibid., Forty-seventh Session, Supplement No. 30 (A/47/30), paras. 253-283.

5/ Ibid., Supplement No. 30 (A/47/30).

6/ Ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30), para. 203.